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STPDTS

E.O. 12958: DECL: 12/03/2018 TAGS: <u>PREL NARR ECON NL BL</u>

SUBJECT: NETHERLANDS/BOLIVIA: HIGH PLAINS SHORT SHRIFTER

Classified By: A/DCM Andrew C. Mann for reasons 1.5(b,d)

- 11. (C) SUMMARY: A Dutch diplomat expressed frustration with the GOB's unfair treatment of eastern communities. Eastern Bolivia appears to oppose the January 25 constitutional referendum, for which the EU will provide observers. On the DEA expulsion, the EU is likely to demarche the GOB within a week. END SUMMARY.
- 12. (U) CONTEXT: Bolivia is one of the Netherlands' development partners, receiving approximately 30 million euros in aid annually. In late November 2008, Dutch MFA Senior Policy Officer Joke Zuidwijk visited Bolivia to review Dutch development programs. She led a five-person team of development specialists on a one-week visit, during which she traveled in the eastern lowlands with a Dutch private sector development specialist.
- 13. (C) DUTCH AID: Zuidwijk was angry at perceived GOB discrimination against lowland businesses by President Morales' administration. The GOB is not approving local government plans for sustainable commercial projects in the east, while it is approving such plans in the western Altiplano, where Morales' constituency lives. Cacao and caiman-skin factory owners in the east also told Zuidwijk they feared the central government was chasing away U.S. business. On the other hand, Zuidwijk suggested the U.S. decision to suspend trade benefits for Bolivia will negatively impact Morales' supporters more than lowland communities.
- 14. (C) CONSTITUTIONAL REFERENDUM: Zuidwijk saw lots of signs in the lowlands expressing opposition to the January 25 constitutional referendum. The Dutch will contribute to the EU observation mission for the referendum -- although the EU has not participated in previous missions due to electoral problems. Zuidwijk did not see the new constitution as a "recipe for stability."
- 15. (C) EFFECT OF DEA DEPARTURE: Zuidwijk said the EU would likely demarche the Morales government regarding the DEA expulsion within a week. She had earlier stated the EU would: (1) express serious concern about the expulsion, (2) note that the EU could not offer assistance to replace the DEA contributions, and (3) ask how Bolivia intended to continue its counternarcotics efforts (planned demarche also reported in reftels B, C). Zuidwijk affirmed the negative impact of the DEA departure, with Mexican and Colombian cartels expected to move in to displace Bolivian traffickers. Zuidwijk did hear of recent increases in drug use and drug trafficking in Bolivia. She noted the increase would have a much greater impact on Europe than on the United States. CULBERTSON